

City of Keene
New Hampshire

CITIES FOR CLIMATE PROTECTION COMMITTEE
MEETING MINUTES

Wednesday, May 4, 2016

8:00 AM

2nd Floor Conference Rm

Members Present:

Dr. Ann Shedd, Chair
Peter Hansel, Vice Chair
Gary Lamoureux, Councilor
Terry Clark, Councilor
Andrew Graham
Megan Straughen
Mari Brunner (arrived at 8:03 AM)
Larry Dachowski, Alternate
Dick Cornelius, Alternate

Staff Present:

Michele Chalice, Planning

Members Not Present:

1) Call to Order and Roll Call

Chair Shedd called the meeting to order at 8:00 AM and roll call was conducted.

2) Approval of Minutes – April 6, 2016

Mr. Hansel noted a spelling correction for page 7: “Craig Bill” should be “Craig Bell.”

Councilor Clark made a motion to approve the minutes of April 6, 2016, which was seconded by Councilor Lamoureux and passed by unanimous vote.

3) Scott Maslansky, C-PACE Program Manager, the Jordan Institute

Scott Maslansky introduced himself and explained that the Jordan Institute is a 20-year-old non-profit organization that focuses on energy efficiency in buildings in NH and somewhat beyond.

Ms. Brunner arrived at 8:03 AM.

Mr. Maslansky gave a slide show presentation on the C-PACE program that he administers through the Jordan Institute, partnering with the Resilient Buildings group, which is a for-profit company. He continued that C-PACE is Property Assessed Clean Energy financing for Commercial buildings. This program allows building owners to

finance energy efficiency and renewable energy projects in a special way. A lien is put on the property and paid back through a special assessment on your taxes, instead of being paid back to the bank.

Mr. Maslansky explained RSA 53-F, the enabling legislation that each municipality needs to adopt if they want C-PACE projects to happen in the municipality. He continued that the Jordan Institute is the statewide administrator of the program, working with a number of municipalities in NH. He hopes that the CCP is excited about C-PACE and recommends that the City Council pursue working on the program.

Mr. Maslansky spoke about the obstacles faced by many building owners who want to do energy efficiency upgrades comprehensively, and about how C-PACE helps overcome the obstacles. He gave examples. He continued that C-PACE is tied to the property, not the building owner, so if a property changes ownership the lien is transferred to the new owner. It is really important to note that C-PACE is cash positive. The statute requires a savings to investment ratio greater than one, meaning, savings have to be greater than the annual repayment of the loan.

Mr. Maslansky continued that the projects are well-vetted beforehand, financially and technically. He explained how that happens and who is involved. The loan term is longer than usual – 20 years is a common C-PACE term. Some accounting situations may treat it as an operating expense instead of debt. Building owners can share the cost of the repayments with tenants.

Mr. Maslansky continued that the Jordan Institute is working with five NH cities and one NH town, and it is on the warrant at Hanover's town meeting next week. C-PACE is not in Keene yet. He explained the benefits to municipalities, such as improved commercial buildings that attract and retain businesses, alignment with the Comprehensive Master Plan (CMP) goals, and the fact that this does not cost a municipality – it is a budget neutral economic development initiative. When the statute was revised there was a real focus on limiting the work done by municipalities; they might not have the capacity. The Jordan Institute keeps the municipalities' roles limited and pays municipalities a nominal fee for doing the billing and collecting of the special assessment.

Mr. Maslansky explained how C-PACE works – potential projects are identified, they are vetted technically and financially, an audit/feasibility study is done, the customer selects a bank or investor, and two financial agreements are created – one with the lender, and one with the contractor. A C-PACE lien is filed. Construction happens with oversight. The municipality sends the building owner a special assessment with the property tax bill and collects the payment, which is sent to the NH Community Development Finance Authority (NHCDFEA), who then remits payments to the appropriate capital providers. Almost any privately-owned commercial building, including that of a non-profit or a residential building with more than four units, can be involved in this.

Mr. Maslansky went through the types of projects that can be done, such as solar, insulation, lights, heating, and so on and so forth. A C-PACE project can include non

energy efficiency work if it is related or connected, such as repairing a roof in order to install solar panels. He listed the criteria for “ideal candidates,” including the lack of an existing mortgage, because of the lien position. He continued that if there is a mortgage, the lien placed on the property is senior to the existing mortgage. Banks allow that to happen, but not in NH. NH is the first state in which liens for C-PACE projects are junior to bank mortgages. Building owners need to have a good history of repayment. For now the Jordan Institute is looking for projects that are over \$250,000, although they hope that number will go down.

Mr. Maslansky gave some information about groups the Jordan Institute partners with in this work. He stated that in terms of responsibilities, a municipality has a one-time responsibility of adopting the program, and designating the Jordan Institute as the administrator of the program. No one other than the Jordan Institute had the capacity to take C-PACE on. The Jordan Institute has the in-house skill set. They feel a statewide program makes the most sense. They would work with City staff to make sure all the puzzle pieces come together. The City would not be responsible for marketing or vetting projects, but would have responsibilities with adding the special assessment to the tax rolls, collecting those payments, forwarding them to the NHCDDFA, and so on and so forth.

Mr. Maslansky showed a map of the 32 states where C-PACE or PACE is happening, and gave information about the number of projects that have happened. He continued that this is pretty well established around the country. He talked about how C-PACE differs in NH than in other states, such as having a junior lien position and a limited municipal role. He has been meeting with staff members of other NH towns and energy groups such as the CCP, answering the many questions that people have. Regarding the next steps, he would be happy to answer the CCP’s questions, and seeks the CCP’s support to talk with City staff and to present to the City Council.

Councilor Clark stated that the City is looking to sign onto existing legislation that would allow commercial owners to defer the value of improvements until after they had been paid for. He continued that the City would not do the assessment of the improvement until after it had been paid for. He asked if that would affect C-PACE. Mr. Maslansky replied that he has not looked into how those two things would work together, but he will find out and follow up with them about this.

Mr. Hansel asked how C-PACE works for non-profits if they are not paying property taxes. Mr. Maslansky replied that they can still get the special assessment.

Ms. Chalice stated that Assistant City Manager Rebecca Landry is heading a new committee looking at economic development issues. She continued that she wonders if it would be appropriate for Mr. Maslansky to give this presentation to that committee and move forward that way instead of having the CCP do this on their own.

Chair Shedd stated that the CCP is advisory to the City Council. She asked if the way to proceed could be for the CCP to recommend that the City Council consider adopting the

RSA, and if then the City Council would refer this to either the economic development committee or maybe the Planning, Licenses, and Development (PLD) Committee. Councilor Lamoureux replied that probably staff would talk and then need to vet all this and put it back to the City Council for discussion.

Ms. Brunner asked if it would be appropriate for the CCP to recommend that the City Council invite Mr. Maslansky to give a presentation so they can learn more about it. Brief discussion ensued about the process and what the CCP wants to do. Councilor Clark asked if Mr. Maslansky could email them a packet of information, and he agreed.

Councilor Clark made a motion for the Cities for Climate Protection Committee to recommend to the City Council that they implement RSA 53-F. Mr. Hansel seconded the motion, which passed by unanimous vote.

Ms. Chalice stated that if Mr. Maslansky emails her the packet, she will forward it to the committee. Chair Shedd thanked Mr. Maslansky for his presentation.

4) GHG Inventory Update, June City Council Presentation

Chair Shedd briefly explained the GHG Inventory, for the benefit of the visitors to the CCP meeting.

Ms. Chalice stated that as reported in the memorandum the CCP received, Samantha Gaudette, the intern who has been working on this with Andrew Graham, is leaving to go to grad school. She continued that the GHG Inventory Update report will go to the PLD Committee in May and the City Council in June.

Mr. Graham reported on the work that he and Ms. Gaudette have been doing. They have been gathering data about the municipality's energy use, which covers a lot of different departments. City staff have been very helpful. Eversource Energy and Keene Gas have been supportive, giving data so they can tabulate how much energy the City uses to find out the total municipal emissions. In June he will look at the community emissions, with Ms. Brunner's help, and produce a narrative report using a template from ICLEI's Clear Path software. He explained that ICLEI is the umbrella organization under which this committee exists. It is an international effort to promote municipality action on climate change. He continued that he and Ms. Gaudette are just at the end of data collection process and will be getting into the body of the report starting this or next week.

Ms. Gaudette reported on the tools they are using to collect and tabulate the data. She showed the software on the projector. She spoke about the Clear Path online application, which is a replacement of ICLEI's former program and is updated with the new protocols and policy guidelines. They will also be using the ICLEI report template. Mr. Graham added more information about the municipality data workbook they are using, and showed how there are different tabs for different departments, such as all of the accounts associated with the Airport, for example, like gas, oil, electricity, and sewer. There are about 120 Eversource Energy accounts in the municipality. He gave examples of these. He continued that knowing data such as how many kilowatts City Hall used in 2015

allows them to set benchmarks to move forward and compare Keene to other similar sized cities around the world that are also using Clear Path. They will be able to measure that against the 1995 levels and the report that Ms. Brunner did on the 2006 to 2008 data. That comparison is slowly coming into focus.

Mr. Graham continued that they expect the target goals were not met. Some of that is due to the changes the city has experienced in the past 20 years and some is due to the much wider net they are casting now with the updated tools. The measurements in 1995 were a small scope and now the scope is bigger and they are capturing more detail. Hopefully when this is done again it will be even simpler.

Mr. Hansel replied, assuming the criteria do not change again. Ms. Chalice stated that they should keep in mind that when Ms. Brunner was doing the report on the 2006-2008 data she did not have the benefit of this format. What Mr. Graham and Ms. Gaudette are now doing will be a base method for this to happen again. She continued that Ms. Brunner did amazing work with the tools she had then. This will make it much less labor intensive in the future.

Chair Shedd stated that the Climate Action Plan and Climate Adaptation Plan call for annual updates to the GHG Inventory, which is unrealistic. Mr. Graham replied that it may be possible with the updated tools they have now and the new tools that come along. He continued that it is getting easier over time. And they are the ones who determine the criteria. Chair Shedd stated that the agreements from the UN's climate conference in Paris call for national reporting every five years. Mr. Graham replied that that is reasonable. The annual changes for Keene will be very slight. It will help to see problems and address them, like if a department suddenly uses more energy one year than the others.

Chair Shedd asked if the ICLEI software can compare cities that have similar climates. Mr. Graham replied that he thinks they could do that through their ICLEI representative.

Ms. Chalice stated that the handout the CCP has from Mr. Graham and Ms. Gaudette has highlighted portions that could use the CCP's input. She is not sure what the best method is for going about that. Chair Shedd replied that they can put this document on the next meeting's agenda. Ms. Chalice replied yes, but they need content to bring to that meeting, so they can vote at that meeting about what they want to make it into the report. She continued that it could be as straightforward as including the CCP's goals.

Ms. Brunner asked why it has to be as formal as voting. She continued that when she did the GHG Inventory Update she presented to the CCP, gathered their ideas and feedback, and put that into the report she created. Ms. Chalice replied that Ms. Gaudette and Mr. Graham are not available to report to the CCP at the June 1 meeting that is scheduled. Discussion ensued and Ms. Chalice proposed meeting on June 8 instead so they could give the report. The group agreed to change the meeting date to June 8.

5) Report on April 12th Conservation Report and April 23 Earthfest

6) CCP Goal Work Group Updates

Ms. Brunner suggested that since they did not have time to address this agenda item today, the working groups that have met could each send a write up to Ms. Chalice about what they discussed at their meetings, and Ms. Chalice could include those in the June agenda packet. Ms. Chalice agreed.

7) Complete Street Endorsement – Mari Brunner

8) NH Legislative Updates

9) AUNE Climate Center Update

10) Other Climate Group Updates

Ms. Brunner passed out flyers about Bike to Work Day, which will be on May 20. She gave information about the activities that will be part of the event that day, and asked everyone to spread the word.

11) Adjournment

Hearing no further business, Chair Shedd adjourned the meeting at 9:02 AM.

Respectfully submitted by,
Britta Reida, Minute Taker